



OFFICE OF  
INSURANCE COMMISSIONER

In the Matter of

**Consumers Insurance Company**  
Authorized insurance company

) No. G 2003-103  
) ORDER APPROVING DISSOLUTION  
)  
)  
)

TO: C. Paul Sandifer, Jr., President  
Consumers Insurance Company  
601 W. 1<sup>st</sup> Avenue, Dept. 120000  
Spokane, WA 99201-5020

Kell E. Bodholt  
Associate Corporation Counsel  
Metropolitan Mortgage & Securities Co., Inc.  
601 W. 1<sup>st</sup> Avenue, Dept. 115000  
Spokane, WA 99201-5015

**NATURE OF PROCEEDING**

Consumers United Insurance Company was issued Certificate of Authority No. 917 on May 31, 1972. Consumers United Insurance Company was formerly Investors Insurance Exchange which was issued Certificate of Authority No. 903 on November 23, 1971. Consumers United Insurance Company changed its name to Consumers Insurance Company and Certificate of Authority No. 917 was amended on April 21, 1978 to reflect the name change. Consumers Insurance Company is a wholly owned subsidiary of Consumers Group Holding Co., Inc.

On November 10, 2003 Consumers Insurance Company filed a Form D dated November 3, 2003 seeking the Commissioner's approval to dissolve the company and distribute its assets to its shareholders. The Boards of Directors of Consumers Insurance Company and Consumers Group Holding Co., Inc. have approved the dissolution of Consumers Insurance Company. In addition Consumers Group Holding Co., Inc. as sole shareholder of Consumers Insurance Company has approved the dissolution of Consumers Insurance Company.

According to its third quarter statutory financial statement filed with the Commissioner, Consumers Insurance Company had assets of \$3,103,289 and liabilities of \$215. Pursuant to information supplied to the Commissioner with the Form D filing, Consumers Insurance Company under GAAP accounting, the Company had assets of approximately \$5,776,898.51 and liabilities of \$3,876.40 as of September 30, 2003.

Consumers Insurance Company ceased doing business with the general public in 1984 and since that time had only issued an insurance policy to Metropolitan Mortgage and Securities Co., Inc. (an upstream parent of Consumers Insurance Company). Metropolitan Mortgage and Securities Co., Inc. has not paid any premiums on the policy since the mid 1990s and the policy has lapsed. In addition Metropolitan Mortgage and Securities Co., Inc. has expressly waived any and all claims under any insurance policy that was issued to it by Consumers Insurance Company.

**FINDINGS OF FACT**

Having read the documentary evidence on file the Insurance Commissioner finds as follows:

- (1) Consumers Insurance Company is a wholly owned subsidiary of Consumers Group Holding Co., Inc. which in turn is a wholly owned subsidiary of Metropolitan Mortgage and Securities Co., Inc.
- (2) The Boards of Directors of Consumers Insurance Company and Consumers Group Holding Co., Inc. as well as Consumers Group Holding Co., Inc. as sole shareholder of Consumers Insurance Company have approved the dissolution of Consumers Insurance Company.
- (3) Consumers Insurance Company has not issued any policies of insurance since 1984, except to Metropolitan Mortgage and Securities Co., Inc.; premiums were not paid on the policy since the mid-1990s and the policy lapsed for failure to pay premiums and in addition Metropolitan has waived any claims under any insurance policy that was issued to it by Consumers Insurance Company. Therefore, Consumers Insurance Company has no outstanding insurance policy obligations.

**CONCLUSIONS OF LAW**

- (1) Pursuant to RCW 48.31B.030(1)(b) certain transactions between a domestic insurance company and its affiliates must be approved by the Insurance Commissioner.
- (2) RCW 48.05.290 provides that an insurer may not withdraw from this state until its policy obligations have been assumed by another insurer or the Commissioner has waived this requirement.

**ORDER**

Consistent with the foregoing Findings of Fact and Conclusions of Law, it is hereby ORDERED:

The dissolution of Consumers Insurance Company and the distribution of its assets to its sole shareholder, Consumers Group Holding Co., Inc. is approved.

ENTERED AT OLYMPIA, WASHINGTON, this 4<sup>th</sup> day of December, 2003.

Mike Kreidler  
Insurance Commissioner

By 

JAMES T. ODIORNE, CPA, JD  
Deputy Insurance Commissioner  
Company Supervision Division